



# County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA  
Chief Executive Officer

May 31, 2011

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, CA 90012

Dear Supervisors:

**GRAND AVENUE PROJECT  
APPROVE THE REVISION TO THE PROJECT SCOPE AND  
SCHEDULE OF DEVELOPMENT AND  
OTHER RELATED ACTIONS  
(ALL DISTRICTS) (3 VOTES)**

**SUBJECT**

Approval of the recommended actions will modify the Grand Avenue Project Scope of Development to allow for the accelerated construction of previously approved site improvements to be implemented by The Broad Collection rather than by Grand Avenue L.A., LLC (previously known as The Related Companies, L.P.); downsize the remaining mixed-use development on Parcels L and M-2 owned by the Community Redevelopment Agency of the City of Los Angeles in the Bunker Hill Redevelopment Project Area; extend the deadlines for the Grand Avenue L.A., LLC to begin Project Phases IIB and IIC on Community Redevelopment Agency of the City of Los Angeles owned Parcels L and M-2 and Phase III on County owned Parcel W-2, and conform new dates in operative documents, including the Grand Avenue Authority Joint Powers Agreement.

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Approve the proposed revision to the Scope of Development of the Grand Avenue Project to allow for the accelerated construction of previously approved public improvements by The Broad Collection, Phase IIA Developer, as part of the Broad Museum's construction schedule and to downsize the remaining mixed-use development on Parcels L and M-2 and phase them as new Phases IIB and IIC;

*"To Enrich Lives Through Effective And Caring Service"*

***Please Conserve Paper – This Document and Copies are Two-Sided  
Intra-County Correspondence Sent Electronically Only***

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

2. Approve the request by Grand Avenue L.A., LLC to extend the deadlines to acquire the ground leases and commence construction of the Grand Avenue Project Phase IIB, Phase IIC, and Phase III;
3. Approve a conforming date change in the Grand Avenue Joint Powers Agreement between the County and the Community Redevelopment Agency of the City of Los Angeles;
4. Approve the form and substance of the Second Amendment to the Disposition and Development Agreement among the Grand Avenue Joint Powers Authority, Grand Avenue L.A., LLC, and The Broad Collection to implement the proposed revision to the Scope of Development of the Grand Avenue Project; and
5. Authorize the Chief Executive Officer to execute conforming documents and take other actions consistent with implementation of these approvals.

#### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The recommended actions will authorize The Broad Collection (Broad) to construct some of the Grand Avenue Project's (Project) public improvements ahead of the schedule previously required for the Project's development. These improvements include the full garage to serve residential as well as the Broad Museum (Museum) uses, the plaza over General Thaddeus Kosciuszko Way (GTK Way), and Grand Avenue sidewalk widening and street trees. The recommended actions will also reduce the size of the remaining Phase II development (proposed to be separated into Phases IIB and IIC) and extend the Grand Avenue L.A., LLC (Project Developer) deadlines to commence development of Phases IIB, IIC and III.

#### **Background**

The Grand Avenue Joint Powers Authority (Authority) was created in September 2003, through a Joint Powers Agreement between the County and Community Redevelopment Agency of Los Angeles (CRA), and is a separate legal entity which selected The Related Companies, L.P. as the developer for the Project in September 2004, after a public process.

In February 2007, your Board approved various actions relative to the phased development of the mixed-use Project. Among those actions was the approval, in form and substance, of the Disposition and Development Agreement (DDA) between the Authority and the Project Developer which outlined the terms and conditions for development and lease of the Bunker Hill Properties owned by the County and CRA.

The DDA requires prior consent by the County, City of Los Angeles, CRA, and the Authority to any change in the Scope of Development.

The Project, as approved in February 2007, consists of three phases. Project Phase I includes development of County-owned Parcel Q with retail/cultural uses, restaurants, hotel, residential units, parking, and landscaping. Concurrently with development of Project Phase I, a Civic Park will be developed to stretch from Grand Avenue at the Music Center to City Hall at Spring Street. Phase II anticipates development of CRA-owned Parcels L and M-2 with primarily residential uses, approximately 101,000 square feet of retail, approximately 1,570 parking spaces, and additional streetscape improvements along Grand Avenue. Phase III anticipates development of County-owned Parcel W-2 (and possibly privately-owned Parcel W-1, if acquired or ground leased by the Project Developer) with residential uses, retail, parking, and an optional County office building.

### **First Amendment to the Disposition and Development Agreement**

In August 2010, your Board approved a change in the Project scope of development and the First Amendment to the DDA that assigned certain rights with respect to the Project Phase II from the Project Developer to create a new Phase IIA of the Project to allow Broad to construct a world-class contemporary art Museum and parking facility on two-thirds of Parcel L, owned by the CRA and bounded by Grand Avenue, Second Street, and GTK Way.

Since August 2010, the CRA has been actively pursuing financing strategies to incentivize the Project Developer to develop Parcel M-2 located south of GTK Way and to ensure that as much of Grand Avenue frontage and property surrounding the planned Museum, including the planned public plaza over GTK Way, is developed on the expedited construction schedule for the Museum.

### **Second Amendment to the Disposition and Development Agreement**

#### **Previously Approved Parking Structure**

The Project Developer is requesting approvals from the County, CRA, City of Los Angeles, and the Authority to allow for accelerated construction by Broad of the entire Parcel L parking structure. Under the First Amendment to the DDA, Broad was approved to build a three story parking structure under the proposed Museum. The proposed Second Amendment to the DDA would allow Broad to construct the entire parking structure from the western boundary of the proposed Museum to Hope Street to

serve the residential units that will ultimately be built as part of Project Phase IIC. The proposed remainder of the previously approved parking structure on Parcel L would result in an additional 80 parking spaces for a total capacity of 370 vehicles.

The westerly portion of the parking garage, being proposed under accelerated construction, will be designed to structurally support a future residential tower to be implemented by the Project Developer as Phase IIC.

#### Garage Airspace Parcel Increase

Additional airspace rights are required to facilitate the construction of that three story portion of the parking facility on the far west portion of Parcel L. The proposed Second Amendment to the DDA will assign to Broad an increase in the garage airspace parcel from ground level to the level of Grand Avenue.

#### Public Plaza over GTK Way

As part of the Project, the Project Developer was responsible for construction of a plaza between Grand Avenue to Hope Street, over GTK Way, and the CRA was responsible for the widening of sidewalks on both sides of Grand Avenue and providing other streetscape upgrades. The CRA requested, and Broad has agreed, to construct these Project elements at the same time as constructing the proposed Museum so that these public amenities can be completed on the earlier Museum schedule.

#### Revised Project Phases IIB and IIC

In August 2010, approval of the Broad Museum became the new Project Phase IIA, and the remaining portions of Parcel L and Parcel M-2 became the revised Project Phase II. The Project Developer is requesting that the remaining Project Phase II be divided into two different phases. Further, the Project Developer, based on the current financing constraints, has determined that the original mixed-use development proposed on the remaining portions of Parcels L and M-2 would have to be reconfigured and redesigned.

Project Phase IIB will be the residential tower and retail development on Parcel M-2 located south of GTK Way. The Project Developer's revised proposal for Project Phase IIB is an approximately 20-story, approximately 260-unit residential tower, with between approximately 7,000 and 19,500 square feet of ground floor retail space, and an on-site parking structure accommodating approximately 280 parking stalls. The Project Phase IIB residential tower has a 30-month construction period and is to begin no later than October 1, 2012. The residential units include studios, one- and two-bedroom

units, and 20 percent (52 units) will be restricted through a 55-year covenant for rental to low-income households earning less than 60 percent of area median income. The remaining 80 percent of the residential units will be rented at market rates.

Project Phase IIC will be the residential tower on the remaining portion of Parcel L, on top of the parking structure located adjacent to Hope Street, west of the proposed Museum as outlined above. The Project Developer currently contemplates the revised proposal for Project Phase IIC to include a residential tower of at least six stories, containing for-sale condominium and/or rental units and, at Project Developer's option, a small amount of accessory commercial space at the level of the public plaza.

#### **Time Extensions in Second Amended Disposition and Development Agreement**

In February 2011, the Authority, in accordance with the DDA, extended the Project Developer's deadline to commence construction on Phase I to February 15, 2013. The Project Developer indicated that it could not obtain financing to commence construction by the previous deadline of February 15, 2011. The Grand Avenue Committee concurred with the Project Developer's explanation that, although it continues to be active in the financial markets, there is no financing available for projects comparable to the Project Phase I on County owned Parcel Q, nor is there financing available for development of new speculative commercial real estate projects of any significant size in this area.

As a result of the changes in the Project Scope of Development as outlined above, the Project Developer has requested an extension of the deadlines to enter into the ground leases for Project Phases IIB, IIC and III. By amending the DDA Schedule of Performance, the original DDA deadline of September 16, 2012 for the commencement of construction for Project Phase II will be deferred to October 1, 2012, for Project Phase IIB (Parcel M-2), and October 1, 2016, for Phase IIC (the westerly portion of Parcel L).

The original commencement of construction deadline date for Project Phase III will be deferred from March 16, 2014, to October 1, 2016. The deadline for the Project Developer to specify the size of the Project Phase III development, referred to as the Project Phase III Notice Date, is extended to October 1, 2014, to be consistent with the other date extensions.

Finally, the Second Amended DDA extends the deadline dates by which the Project Developer must pay the Leasehold Acquisition Fees for Project Phases IIB and IIC to June 16, 2011, and for Phase III to March 16, 2012, but deletes prior provisions of

the DDA that allowed for certain extensions of such deadlines. In consideration for such date extensions, the Authority is acquiring the right to notify the Project Developer, at least six months in advance of intention to provide a proposed public use of the Phase III property, in which case the Project Developer will be obligated to either enter into the Phase III ground lease and pay the Leasehold Acquisition Fee to the Authority by the deadline specified in the Authority's notice to the Project Developer, or the Project Developer will lose any further right to develop Project Phase III.

It is recommended that your Board approve the revisions to the Project Phase II Scope of Development to facilitate the original objectives of the Project and delegate authority to the Chief Executive Officer to implement any consistent administrative actions necessary to implement the Project.

The Authority and CRA approved these actions at their April 11, 2011, and April 21, 2011, meetings, respectively. The City of Los Angeles approved these actions in May 2011.

### **Conforming Joint Powers Agreement Date Extension**

To be consistent with this new schedule of deadlines which includes deadlines after July 1, 2014, a conforming change to update the Joint Powers Agreement needs to be approved by the County and CRA to provide that the latest date to review and revise the properties included in the Joint Powers Agreement will be October 1, 2016, the new deadline for commencement of Project Phase IIC and Phase III rather than the current July 1, 2014, date in the Joint Powers Agreement. This provision was added in 2007 to provide that on a re-set date after all the deadlines for developers to enter into ground leases the County and CRA would determine what properties had been subleased to a developer and "re-set" the percentage shares of net revenue to reflect only those subleased parcels, dropping from the Project those parcels not subject to a ground lease. The CRA and City of Los Angeles have approved the DDA Amendment and the extended schedule of performance contained therein. In order to implement the project, the CRA and City of Los Angeles will also act on a technical amendment to the JPA Agreement to update the extended outside lease date.

### **FISCAL IMPACT/FINANCING**

Project Phase IIB affordable housing, will be partially funded by the \$7.7 million allocated by the Authority for affordable housing under the First Amendment to the DDA related to the proposed Museum and a 55-year residual receipts loan of \$5.626 million from the CRA that will be deposited with the Authority and disbursed during

construction. The CRA will deposit the affordable housing funds with the County Treasurer and Tax Collector to hold for the Authority to disburse in accordance with the DDA, as amended.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The County is not a party to the attached Second Amendment to the DDA, but it reviews and approves the form and substance of the DDA, which has been approved as to form by County Counsel.

### **ENVIRONMENTAL DOCUMENTATION**

On February 13, 2007, acting as a responsible agency, your Board certified the Project Environmental Impact Report (EIR) as prepared and certified by the Authority as lead agency for the Project.

In August 2010, acting as a responsible agency, your Board certified the Addendum to the previously certified Final EIR in connection with the First Amendment to the DDA related to the Museum improvements.

The proposed change in Scope of Development presented in the Second Amendment to the DDA with respect to the proposed Project Phases IIB and IIC is less dense than the Scope of the Development as proposed in the original Project Phase II. The amended Scope of Development with respect to Project Phases IIB and IIC is within the scope of the previously certified Final EIR and Addendum to the EIR. No further environmental review is required for the recommended actions. The mitigation measures from the certified EIR applicable to the Project Phase II have been reviewed and will be monitored for compliance.

The Honorable Board of Supervisors  
May 31, 2011  
Page 8

**CONCLUSION**

Upon approval of the recommendations, please forward an adopted copy of the Board letter to this office.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'WTF', followed by a horizontal line.

WILLIAM T FUJIOKA  
Chief Executive Officer

Attachments

WTF:RLR  
DJT:DKM:mc

Attachment

c: Executive Office, Board of Supervisors  
County Counsel  
The Los Angeles Grand Avenue Authority



## SECOND AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT

### (GRAND AVENUE)

**THIS SECOND AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT** (“**Amendment**”) is entered into as of April 11, 2011 by and among THE LOS ANGELES GRAND AVENUE AUTHORITY, a California joint powers authority (“**Authority**”), GRAND AVENUE L.A., LLC, a Delaware limited liability company (“**Developer**”), and THE BROAD COLLECTION, a California nonprofit public benefit corporation (“**Phase IIA Developer**”) with reference to the following facts and objectives:

### RECITALS

A. Authority, Developer and Phase IIA Developer are parties to that certain Disposition and Development Agreement (Grand Avenue) dated as of March 5, 2007 (the “**Original DDA**”), as amended by that certain First Amendment to Disposition and Development Agreement (Grand Avenue) dated as of August 23, 2010 (the “**DDA First Amendment**”). Capitalized terms used and not otherwise defined herein shall have the meaning ascribed to such terms in the Original DDA and the DDA First Amendment, as applicable. The Original DDA as amended by the DDA First Amendment and this Amendment is referred to herein as the “**Amended DDA**.”

B. The DDA First Amendment provides for, among other things, Phase IIA Developer’s construction of the Phase IIA Parking Garage on the Garage Airspace Parcel (as such terms are defined in Recital B of the DDA First Amendment) pursuant to the CRA Parking Facility and Museum Development Agreement (as defined in Recital D of the DDA First Amendment). The CRA Parking Facility and Museum Development Agreement provides that the CRA shall convey fee title to the Garage Airspace Parcel to Phase IIA Developer and Phase IIA Developer shall finance and construct the Phase IIA Parking Garage thereon. Furthermore, the CRA receives a right to purchase the Garage Airspace Parcel and the Phase IIA Parking Garage (collectively, the “**Parking Property**”) from Phase IIA Developer (and Phase IIA Developer receives the right to sell the Parking Property to the CRA) following completion of the Phase IIA Parking Garage, and the CRA agrees to reimburse Phase IIA Developer for certain costs associated with the Phase IIA Improvements, all as more particularly set forth in the CRA Parking Facility and Museum Development Agreement.

C. The CRA and Phase IIA Developer have amended the CRA Parking Facility and Museum Development Agreement by entering into a First Amendment to Parking Facility and Museum Development Agreement dated as of January 26, 2011, and a Second Amendment to Parking Facility and Museum Development Agreement dated as of \_\_\_\_\_, 2011 (collectively, the “**PFMD Amendment**”). The PFMD Amendment, among other things, provides (subject to execution of this Amendment), for the enlargement of the Garage Airspace Parcel by adding additional airspace over Parcel L thereto, and further provides that, in lieu of Developer, Phase IIA Developer will construct, as part of Phase IIA, (i) the entire parking facility with respect to Parcel L, (ii) the Streetscape Improvements (as defined in Section 301(2) of the Original DDA) to be constructed on Grand Avenue between Second and Third Streets, specifically excluding the Streetscape Improvements related to Phase I (the “**Phase IIA**

**Streetscape**”) and (iii) the Public Plaza on the Plaza Parcel (as such terms are hereinafter defined).

D. Additionally, the PFMD Amendment provides that (i) the CRA shall reasonably consider the disposition of the Parcel L License Area (such term is defined in the PFMD Amendment to mean the additional airspace over Parcel L up to the upper Grand Avenue elevation to be added to the Garage Airspace Parcel, as well as the Plaza Parcel) to Phase IIA Developer, subject to all applicable public notice provisions, approvals required by Authority and other requirements of law, and (ii) if the CRA does not convey the Parcel L License Area to Phase IIA Developer prior to Phase IIA Developer’s commencement of construction of the originally defined Phase IIA Parking Garage, Phase IIA Developer has the right to terminate the PFMD Amendment (referred to herein as **“Phase IIA Developer’s PFMD Termination Right”**) and Phase IIA Developer shall have no further obligations under the PFMD Amendment.

E. Pursuant to that certain Amended and Restated Grand Avenue Project-Phase IIA Parcel Assignment and Assumption Agreement to be entered into between Developer and Phase IIA Developer on or about the date hereof (herein, the **“Expanded Phase IIA Assignment”**), Developer agrees to assign to Phase IIA Developer certain of its rights and obligations under the Amended DDA with respect to the Phase IIA Parking Facility (as defined in Section 3(b)(12) below), and Phase IIA Developer agrees to assume such rights and obligations, which assignment and assumptions shall become effective at the times set forth in the Expanded Phase IIA Assignment. Developer and Phase IIA Developer will enter into the Expanded Phase IIA Assignment in anticipation of this Amendment being executed by the parties hereto. After this Amendment has been executed by all parties, Authority and the CRA will deliver executed consents to the Expanded Phase IIA Assignment to evidence their approval of the assignment and assumption provided for therein.

F. Developer desires to have the option to commence construction of improvements on Parcels L and M-2 of the Redevelopment Plan prior to commencement of construction of Phase I. Specifically, Developer desires to amend the Scope of Development for Phase II to provide that Phase II will be constructed by Developer in two (2) separate phases, Phase IIB and Phase IIC (each as hereinafter defined).

G. An amendment to the Scope of Development requires approval of the Governing Entities as provided in Section 402 of the Original DDA as well as an amendment of the Original DDA. The Amendment of the Original DDA and the Scope of Development in order to permit the development of Phase IIB and Phase IIC and the expanded development of Phase IIA is in the vital and best interests of the City and the County and the health, safety, morals and welfare of their residents, and consistent with the public purposes and provisions of the applicable federal, state and local laws and requirements, and, in particular, the Community Redevelopment Law of the State of California Health and Safety Code Section 33000 et seq.

H. In connection with the DDA First Amendment, (i) Authority caused a review of the proposed Phase IIA Improvements and the EIR (as defined in Recital G of the DDA First Amendment) which was approved by the CRA and the County as responsible agencies and by Authority as the lead agency in connection with the Original DDA, and (ii) Authority’s

consultant generated an EIR Addendum (as defined in Recital G of the DDA First Amendment) to comply with CEQA requirements for the proposed Phase IIA Improvements. The amended Scope of Development with respect to Phase IIB and Phase IIC is less dense than the Scope of Development for the original Phase II. The amended Scope of Development with respect to Phase IIB and Phase IIC is within the scope of the previously certified EIR and EIR Addendum.

I. Pursuant to the Original DDA, the deadline for Commencement of Construction of the original Phase II is currently September 16, 2012 and the deadline for Commencement of Construction of Phase III is currently March 16, 2014. Developer has requested that Authority extend the deadlines for Commencement of Construction of Phase II (now to consist of Phase IIB and Phase IIC) and Phase III. Section 204(G)(X) of the Original DDA states that Authority may extend the deadlines in Section 204(G) for any reason, including general market conditions, provided that any such extension that would affect the Schedule of Performance as to Phase II shall require the approval of the CRA, and any such extension that would affect the Schedule of Performance as to Phase III shall require the approval of the CRA and the County.

J. Authority, Developer and Phase IIA Developer desire to enter into this Amendment to (i) address the foregoing agreements regarding Phase IIA, Phase IIB and Phase IIC and extend the various deadlines in the Original DDA with respect to the development of Phase IIB, Phase IIC and Phase III of the Project, (ii) amend the provisions of the Original DDA regarding funding of Affordable Housing as set forth in Section 4.6 below, and (iii) further amend the Original DDA and DDA First Amendment with respect to Phase IIA, Phase IIB, Phase IIC and Phase III as more particularly set forth hereinbelow.

NOW THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt of which is hereby acknowledged, Authority, Developer and Phase IIA Developer hereby agree as follows:

1. **Recitals Incorporated by Reference.** The foregoing Recitals A through J are hereby incorporated into and made a part of this Agreement.

2. **Phase IIA Developer's PFMD Termination Right.** The provisions of this Amendment regarding the expanded Garage Airspace Parcel and Phase IIA Developer's development of the Phase IIA Parking Facility are drafted on the assumption that Phase IIA Developer will not exercise Phase IIA Developer's PFMD Termination Right. If Phase IIA Developer exercises Phase IIA Developer's PFMD Termination Right, Phase IIA Developer shall notify Authority and Developer of such exercise concurrently with Phase IIA Developer's notice thereof to the CRA, and (i) all provisions of this Amendment regarding the expanded Garage Airspace Parcel and Phase IIA Developer's development of the Phase IIA Parking Facility (other than the original Phase IIA Parking Garage as described in the DDA First Amendment) shall thereupon terminate and be of no further force and effect, (ii) Phase IIA Developer shall proceed with the development of Phase IIA on the Phase IIA Parcels as described in, and pursuant to, the DDA First Amendment without regard to this Amendment, and (iii) Developer's rights to the Parcel L License Area shall be reinstated.

3. **Amendment of Definitions.**

(a) The following definitions set forth in the Original DDA and the DDA First Amendment are hereby amended as follows:

(1) The definition of “**Amendment Effective Date**” is amended to mean October 6, 2010.

(2) The definition of “**Authority Parcels**” is amended to refer to the Phase IIB Parcel and the Phase IIC Parcel, in lieu of the Phase II Parcels.

(3) The definition of “**CRA-Authority Leases**” is amended to refer to the Phase IIB CRA Ground Lease and the Phase IIC CRA Ground Lease, in lieu of the Phase II CRA Ground Lease.

(4) The definition of “**CRA Parking Facility and Museum Development Agreement**” is amended to include the First Amendment to Parking Facility and Museum Development Agreement dated as of January 26, 2011 and the Second Amendment to Parking Facility and Museum Development Agreement dated as of \_\_\_\_\_, 2011.

(5) The definition of “**Development Site**” is amended to refer to the Phase IIB Parcel and the Phase IIC Parcel in lieu of the Phase II Parcel.

(6) The definition of “**Garage Airspace Parcel**” is amended to mean an airspace parcel over Parcel L, as more particularly described in Schedule 1 attached hereto. The description of the Garage Airspace Parcel attached to the DDA First Amendment as Exhibit “A-1” is hereby replaced by the description of the Garage Airspace Parcel attached hereto as Schedule 1. Notwithstanding the foregoing, the description of the Garage Airspace Parcel attached hereto as Schedule 1 is subject to minor, non-substantive modifications by the CRA based on an amended parcel map to be prepared and recorded by the CRA, and upon recordation of such amended parcel map, a revised final legal description of the Garage Airspace Parcel will be attached hereto as Schedule 1.

(7) The definition of “**Ground Lease(s)**” is amended to mean the Ground Lease for Phase I, the Museum Parcel Ground Lease, the Ground Lease for Phase IIB, the Ground Lease for Phase IIC and the Ground Lease for Phase III.

(8) The definition of “**Parcel(s)**” is amended to include the Phase IIB Parcel and the Phase IIC Parcel, in lieu of the Phase II Parcels.

(9) The definition of “**Phase**” is amended to include Phase IIB and Phase IIC in lieu of Phase II.

(10) The definition of “**Phase II CRA Ground Lease**” is amended to mean the ground lease of the Phase IIB Parcel and the ground lease of the Phase IIC Parcel, respectively, to Authority by the CRA.

(11) The definition of “**Phase II Final Construction Budget**” is

amended to mean the proposed budget approved by Authority pursuant to Section 408(1) of the Original DDA in respect of Phase IIB or Phase IIC, as applicable depending upon the context of usage of the term in order to effectuate the intent of this Amendment.

(12) The definition of “**Phase II Improvements**”, to the extent not expressly amended elsewhere in this Amendment, is amended to mean the Phase IIB Improvements and/or the Phase IIC Improvements, as applicable depending upon the context of usage of the term in order to effectuate the intent of this Amendment.

(13) The definition of “**Phase II Outside Construction Start Date**” is amended to mean the Phase IIB Outside Construction Start Date and/or the Phase IIC Outside Construction Start Date, as applicable depending upon the context of usage of the term in order to effectuate the intent of this Amendment.

(14) The definition of “**Phase II Parcels**” to the extent not expressly amended elsewhere in this Amendment, is amended to mean the Phase IIB Parcel and/or the Phase IIC Parcel, as applicable depending upon the context of usage of the term in order to effectuate the intent of this Amendment.

(15) The definition of “**Phase II Title Policy**” is amended to mean the title policy which shall be issued pursuant to Section 209 of the Original DDA in respect of the Phase IIB Parcel or the Phase IIC Parcel, as applicable depending upon the context of usage of the term in order to effectuate the intent of this Amendment.

(16) The definition of “**Phase IIA Assignment Agreement**” is amended to mean the Amended and Restated Grand Avenue Project-Phase IIA Parcel Assignment and Assumption Agreement between Developer and Phase IIA Developer dated on or about April 11, 2011.

(17) The definition of “**Phase IIA Improvements**” is amended to mean the Museum, the Phase IIA Parking Garage, as defined in this Amendment, the Phase IIA Streetscape and the Public Plaza.

(18) The definition of “**Phase IIA Parcels**” is amended to mean the Garage Airspace Parcel as described in Schedule 1 attached to this Amendment, the Plaza Parcel as described in Schedule 2 attached to this Amendment and the Museum Parcel as described in Exhibit A-1 to the DDA First Amendment.

(19) The definition of “**Phase IIA Parking Garage**” is amended to mean a three (3) level public parking garage within the Garage Airspace Parcel containing approximately 370 parking spaces.

(20) The definition of “**Phase III Notice Date**” is amended to be October 1, 2014.

(b) The following definitions are added to Section 110 of the Original DDA:

(1) “**7.7 Million Dollar Payment**” is defined in Section 4.6(a).

- (2) **“Affordable Housing Loan”** is defined in Section 4.6(d)
- (3) **“Affordable Housing Loan Documents”** is defined in Section 4.6(d).
- (4) **“Affordable Housing Term Sheet”** is defined in Section 4.6(d).
- (5) **“Amended DDA”** is defined in Recital A.
- (6) **“DDA First Amendment”** is defined in Recital A.
- (7) **“DDA Second Amendment”** means this Amendment.
- (8) **“Expanded Phase IIA Assignment”** is defined in Recital E.
- (9) **“PFMD Amendment”** is defined in Recital C.
- (10) **“Phase II Deposit Amount”** is defined in Section 4.7.
- (11) **“Phase IIA Developer’s PFMD Termination Right”** is defined in Recital D.
- (12) **“Phase IIA Parking Facility”** means, collectively, the expanded Phase IIA Parking Garage as defined in this Amendment, the Public Plaza and the Phase IIA Streetscape.
- (13) **“Phase IIA Streetscape”** is defined in Recital C.
- (14) **“Phase IIB”** means the construction and development of the Phase IIB Improvements on the Phase IIB Parcel.
- (15) **“Phase IIB Affordable Housing Funds”** is defined in Section 4.6(b).
- (16) **“Phase IIB Improvements”** means the construction and development of the improvements generally described in Section 4.2 on the Phase IIB Parcel.
- (17) **“Phase IIB Parcel”** means Parcel M-2 of the Redevelopment Plan.
- (18) **“Phase IIC”** means the construction and development of the Phase IIC Improvements on the Phase IIC Parcel.
- (19) **“Phase IIC Improvements”** means the construction and development of the improvements generally described in Section 4.2 on the Phase IIC Parcel.
- (20) **“Phase IIC Parcel”** means the portion of Parcel L of the Redevelopment Plan which is not part of the Phase IIA Parcels.

(21) **“Plaza Parcel”** means the parcel described in Schedule 2 attached hereto. Notwithstanding the foregoing, the description of the Plaza Parcel attached hereto as Schedule 2 is subject to minor, non-substantive modifications by the CRA based on an amended parcel map to be prepared and recorded by the CRA, and upon recordation of such amended parcel map, a revised final legal description of the Plaza Parcel will be attached hereto as Schedule 2.

(22) **“Public Plaza”** means an approximately 24,000 square foot permanent plaza to be constructed by Phase IIA Developer on the Plaza Parcel, as more particularly described in the PFMD Amendment.

(23) **“Public Plaza REA”** is defined in Section 5.1.

4. **Amendment Regarding Phase IIB and Phase IIC.**

4.1 **Approval of Phase IIB and Phase IIC.** Authority hereby approves of Phase IIB and Phase IIC in lieu of the Phase II previously contemplated by the Original DDA and DDA First Amendment. The development of the Phase IIB Improvements and Phase IIC Improvements shall be completed in accordance with plans approved by Authority pursuant to the Amended DDA. Developer shall have the right to accelerate Phase IIB and/or Phase IIC so that construction thereof commences prior to construction of Phase I; provided that construction of Phase IIB must commence prior to construction of Phase IIC. Phase IIA Developer shall not be obligated, nor shall it have the right to, construct any improvements or any temporary plaza on the top of the Phase IIA Parking Garage, other than the Phase IIA Improvements.

4.2 **Scope of Development for Phase IIA, Phase IIB and Phase IIC.** The Scope of Development for the Project attached to the Original DDA as Exhibit “A”, as amended by the DDA First Amendment, is hereby further amended to reflect that (i) Phase IIA Developer will construct the Phase IIA Parking Facility, and (ii) Developer will construct Phase IIB and Phase IIC (rather than the originally contemplated Phase II). Specifically, Part II(B) (Phase II Parcels L and M-2) of the Scope of Development, as amended by the DDA First Amendment, is hereby further amended and restated in its entirety as follows:

“The Phase IIA, Phase IIB and Phase IIC portions of the Project will, collectively, consist of development of housing, retail, a museum and parking on Bunker Hill Redevelopment Parcels L and M-2, and the development of the Public Plaza on the Plaza Parcel. Specifically, Phase IIA will consist of a museum of up to 120,000 square feet to be constructed over Parcel L and a parking garage containing approximately 370 parking spaces to be constructed over Parcel L, together with the Phase IIA Streetscape and the Public Plaza to be constructed on the Plaza Parcel. Phase IIB will consist of a residential tower of approximately 20 stories, to be constructed on Parcel M-2, containing approximately 260 rental units; 20% of the total units in Phase IIB shall be rental Affordable Housing Units. Phase IIB will include a parking garage containing approximately 280 parking spaces for the renters of the non-Affordable Housing Units in Phase IIB. Per Section 707 of the Original DDA, the Affordable Housing Units in Phase IIB shall be reserved for occupancy by Sixty Percent Households

and, in Developer's sole discretion, by Very Low Income Households and/or Extremely Low Income Households. Retail improvements, consisting of between approximately 7,000 and 19,500 square feet, will be constructed on Grand Avenue as part of Phase IIB. Phase IIC will consist of a residential tower of at least six (6) stories, containing for-sale condominium units and/or rental units, to be constructed on the Phase IIC Parcel. Phase IIC may, at Developer's option, include incidental ground floor retail improvements. Phase IIA and Phase IIB collectively will provide to Phase IIA, Phase IIB and Phase IIC approximately 650 parking spaces for residential owners and renters and their visitors, public parking for retail employees and retail visitors, and parking for employees and visitors of the museum. The retail program in Phase IIB may be increased pursuant to the Equivalency Program. Notwithstanding Section 105 of the Original DDA, the minimum Floor Areas set forth in Exhibit "R" to the Original DDA shall not apply to Phase IIA, Phase IIB or Phase IIC. Without limiting the generality of the foregoing Scope of Development for Phase IIA, Phase IIB and Phase IIC, the following table is only an example of certain permitted specifications for Phase IIA and Phase IIB:

PHASE IIA AND PHASE IIB- PARCELS L AND M-2		
Projected Program	Example SF	Example Units/Spaces
Retail	7,500	N/A
Residential	250,000	260
	<i>Market Rate</i>	208
	<i>Affordable</i>	52
Museum	120,000	
Parking	<i>Total</i>	650
	<i>Phase IIA</i>	370
	<i>Phase IIB</i>	280

The residential portion of the Phase IIB Improvements shall consist of approximately 250,000 square feet of Floor Area. Development of Phase IIA may proceed independently of the development of Phase IIB and Phase IIC, and development of Phase IIB and Phase IIC may proceed independently of the development of Phase IIA. Development of Phase IIB may proceed independently of the development of Phase IIC; provided that, in any event, construction of Phase IIB must commence prior to construction of Phase IIC."

4.3 **Schedule of Performance.** The Schedule of Performance for Phase II attached to the Original DDA as Exhibit "C" is hereby deleted and replaced with the Schedule of Performance for Phase IIB and Phase IIC attached hereto as Schedule 4.3.

4.4 **Concept Design Drawings.** The Concept Design Drawings attached to the Original DDA as Exhibit "K", as amended by the DDA First Amendment, are hereby further amended to reflect Phase IIB as shown on Schedule 4.4 attached hereto. Concept design



drawings for Phase IIC do not exist as of the date of this Amendment.

4.5 **References to Phase II.** Except as set forth in this Amendment or where the context clearly requires otherwise, all provisions of the Original DDA and the DDA First Amendment pertaining to “Phase II” shall apply to Phase IIB and/or Phase IIC, as applicable depending upon the context of usage of the term in order to effectuate the intent of this Amendment.

4.6 **Funding of Affordable Housing – Phase IIB.**

(a) Phase IIA Developer previously made a non-refundable (except as expressly set forth in the Museum Parcel Ground Lease) payment to Authority. The amount of the payment is Seven Million Seven Hundred Thousand Dollars (\$7,700,000) (herein, together with all interest earned thereon while on deposit with the County Treasurer, the “**7.7 Million Dollar Payment**”). Section 5.6 of the First Amended and Restated C&F Agreement (as defined in Recital F of the DDA First Amendment) states that the County Treasurer, for the Authority, shall hold the 7.7 Million Dollar Payment for the benefit of the CRA and shall, at the request of the CRA, disburse such grant funds to the CRA to enable the CRA to partially fund the affordable housing obligations of the CRA related to Phase II, and if Phase II does not go forward, Authority shall allocate such funds to the CRA for other affordable housing in downtown Los Angeles. It is hereby agreed that, notwithstanding the foregoing, the 7.7 Million Dollar Payment will be held by the County Treasurer for the benefit of Authority, and upon the closing of the construction loan for Phase IIB, Authority will provide a grant of the 7.7 Million Dollar Payment (the “**7.7 Million Dollar Grant**”) to a corporation to be formed by Developer (the “**Intermediate Lender**”), which shall use the full 7.7 Million Dollar Grant to fund a loan to Developer (i.e., Authority, and not the CRA, will disburse the 7.7 Million Dollar Payment to the Intermediate Lender, which shall lend such amount to Developer for Affordable Housing on Phase IIB), and if Phase IIB does not go forward, Authority shall allocate the 7.7 Million Dollar Payment to the City or the CRA to be used for other affordable housing in downtown Los Angeles.

(b) The Affordable Housing assistance required to be provided by the CRA for Phase II pursuant to the Original DDA shall be provided for Phase IIB. It is estimated that such assistance amount will be a total of approximately \$5,626,000, equivalent to \$5,200,000 (based on fifty-two (52) Affordable Housing Units in Phase IIB) plus \$426,000 (which is the amount of the CPI increase per the Original DDA) (herein, collectively, together with all interest earned thereon while on deposit with the County Treasurer, the “**Phase IIB Affordable Housing Funds**”). The Phase IIB Affordable Housing Funds are in addition to the 7.7 Million Dollar Payment. The CRA shall deposit the Phase IIB Affordable Housing Funds with the County Treasurer to be held for the benefit of Authority for disbursement pursuant to Paragraph 4.6(d).

(c) Amounts held by the County Treasurer pursuant to this Section 4.6 will be held in interest bearing accounts.

(d) The Phase IIB Affordable Housing Funds, to the extent actually received by/made available to Authority, shall be loaned (the “**Affordable Housing Loan**”) by Authority to Developer as a residual receipts loan for Affordable Housing in Phase IIB, pursuant to the

term sheet attached hereto as Schedule 4.6 (the “**Affordable Housing Loan Term Sheet**”). The Affordable Housing Loan will be made pursuant to loan documents reasonably acceptable to the Authority and Developer, provided that such loan documents shall be consistent with the Affordable Housing Loan Term Sheet (the “**Affordable Housing Loan Documents**”). All payments made to Authority under the Affordable Housing Loan Documents shall be applied to Affordable Housing in the Project, and after all Affordable Housing in the Project has been fully funded, the payments under the Affordable Housing Loan Documents shall be paid to the City for other affordable housing in downtown Los Angeles. If Phase IIB does not go forward, Authority shall allocate the Phase IIB Affordable Housing Funds to Affordable Housing in Phase I (and if Phase I does not go forward, the Phase IIB Affordable Housing Funds shall be paid to the CRA or City for other affordable housing in downtown Los Angeles).

4.7 **Phase II Deposit Amount.** Of the Fifty Million Dollar (\$50,000,000) Deposit previously paid by Developer to Authority pursuant to the Original DDA , Five Million Two Hundred Twenty Thousand Dollars (\$5,220,000) constitutes a deposit (hereinafter the “**Phase II Deposit Amount**”) to be used for a portion of the Leasehold Acquisition Fee for Phase II. It is hereby agreed that the Phase II Deposit Amount will be credited towards the Leasehold Acquisition Fee for Phase IIB, and if thereafter any Phase II Deposit Amount still remains, the remainder will be credited towards the Leasehold Acquisition Fee for Phase IIC; provided, however, that notwithstanding the foregoing or anything to the contrary in the Amended DDA, in consideration of Authority’s execution of this Amendment and agreement to the extensions with respect to Phase IIB, Phase IIC and Phase III set forth herein, Developer hereby waives any and all rights to a return or refund of the Phase II Deposit Amount, and Authority shall retain the full amount of the Phase II Deposit Amount as liquidated damages (without limiting the other provisions hereof concerning liquidated damages for Developer’s failure to perform under the Amended DDA) if Developer fails to timely proceed with Phase IIB, regardless of whether or not Developer proceeds with Phase IIC or other Phases of the Project.

## 5. **REAs**

5.1 **Public Plaza REA.** Prior to (i) the issuance of a Certificate of Completion for the Phase IIA Parking Facility and (ii) Developer’s execution of the Ground Lease for Phase IIB, the CRA, Authority, Developer and Phase IIA Developer shall agree upon a form of reciprocal easement agreement to be executed and recorded on the Phase IIA Parcels (the “**Public Plaza REA**”). The Public Plaza REA shall address the operation and maintenance of the Public Plaza and provide for permanent rights of access over and across the Public Plaza by the general public and all invitees, owners, employees, residents and customers of the Phase IIA Improvements, the Phase IIB Improvements and the Phase IIC Improvements, subject only to customary limitations on such access for similar public open space in downtown Los Angeles. The Public Plaza REA shall allocate the maintenance responsibilities for the Public Plaza and include a mechanism to allow one hundred percent (100%) of the net revenues from the operation of the Phase IIA Parking Facility to pay maintenance costs of the Public Plaza, subject to CRA approval of the annual maintenance budget, which approval shall not be unreasonably withheld.

5.2 **Museum/Phase IIB/Phase IIC REA.** The fourth (4<sup>th</sup>) sentence and all subsequent sentences of Section 5.1 of the DDA First Amendment are amended and restated in their entirety to provide as follows:

“In addition to the Museum/Garage REA, the CRA, Developer, and Phase IIA Developer shall enter into a reciprocal easement agreement (“**Museum/Phase IIB/Phase IIC REA**”) (i) when Developer is ready to Commence Construction of Phase IIB, and (ii) which shall be amended when Developer is ready to Commence Construction of Phase IIC, governing, among other things, reciprocal rights and easements for the tenants, visitors, owners, employees and invitees to the Phase IIA Parcels, the Phase IIB Parcel and the Phase IIC Parcel for defined amounts of parking and to use the ramps, elevators, escalators, stairwells, plazas and other vehicular and pedestrian rights of way interconnecting the Phase IIA Improvements, the Phase IIB Improvements and the Phase IIC Improvements, as well as lateral and subjacent support easements between such improvements and their foundations, in order to facilitate the development of the Phase IIA Improvements, the Phase IIB Improvements and the Phase IIC Improvements and the interconnection between such improvements to allow pedestrian access. The Museum/Phase IIB/Phase IIC REA shall expressly address (i) the allocation of parking spaces in the Phase IIA Parking Garage to the renters of the Affordable Housing Units in Phase IIB, the visitors and employees of the Phase IIB and the Phase IIC retail improvements, and the tenants, owners and visitors of the Phase IIC residential improvements, and (ii) the rate to be paid to the CRA for such parking spaces which are allocated to Phase IIB and Phase IIC. Developer shall be required, at its sole cost, in connection with the design and development of the Phase IIB Improvements and Phase IIC Improvements, to physically connect the Phase IIB Improvements and Phase IIC Improvements with the Phase IIA Improvements to the extent commercially practicable and to facilitate a connected and integrated set of improvements on Parcels L and M-2. Authority may withhold its approval of the Project Documents for the Phase IIB Improvements or the Phase IIC Improvements if the interconnection between the Phase IIB Improvements or the Phase IIC Improvements, as applicable, and the Phase IIA Improvements has not been satisfactorily addressed. The Museum/Garage REA and the Museum/Phase IIB/Phase IIC REA shall both be subject to the approval of Authority. Without limiting the foregoing provisions of this Section 5.1, in designing the Phase IIA Improvements, Phase IIA Developer shall, in good faith, take into account possible future development by Developer (or a subsequent developer of Phase IIB or Phase IIC), and Phase IIA Developer shall reasonably cooperate with Developer’s (or such subsequent developer’s) efforts to join and make contiguous any plazas and walkways of the Phase IIA Improvements with any future walkways and plazas that maybe designed as part of the future development on the Phase IIB Parcels and the Phase IIC Parcels.”

6. **Phase IIA Parking Facility.** Because the Museum/Phase IIB/Phase IIC REA will address parking in the Phase IIA Parking Garage for certain Phase IIB and Phase IIC users as described in Section 5.2 above, Recital J of the DDA First Amendment and the third (3<sup>rd</sup>) sentence and all subsequent sentences of Article 8 of the DDA First Amendment are hereby deleted in their entirety; provided that the last sentence of Article 8 of the DDA First Amendment is hereby amended and restated in its entirety to provide as follows: “If, prior to the issuance of a Certificate of Completion for the Phase IIA Parking Facility, Phase IIA Developer terminates the CRA Parking Facility and Museum Development Agreement due to a default by the CRA thereunder, or if the CRA Parking Facility and Museum Development Agreement is otherwise terminated, Authority and Phase IIA Developer shall work together reasonably and in good faith to renegotiate the terms related to the development of the Phase IIA Parking Facility and the completion thereof.”

7. **Amendment of Section 204(G) of Original DDA.**

7.1 **General.** Developer and Authority desire to amend Section 204(G) of the Original DDA to extend the deadlines for Developer's obligation to enter into the Ground Leases for Phase IIB, Phase IIC and Phase III and pay the Leasehold Acquisition Fees in connection therewith, as set forth in this Article 7, and to delete Developer's right to further postpone the Phase III FMV Outside Date by payment of a Deferral Payment to Authority.

7.2 **Certain Definitions.**

(a) The definition of "Phase II Adjusted Leasehold Acquisition Fee" is hereby bifurcated so as to refer to a "**Phase IIB Adjusted Leasehold Acquisition Fee**" and a "**Phase IIC Adjusted Leasehold Acquisition Fee**," respectively, calculated as follows: (i) the amount of the Phase IIB Adjusted Leasehold Acquisition Fee shall be calculated in the same way as contemplated by the Original DDA with respect to Phase II, and (ii) the amount of the Phase IIC Adjusted Leasehold Acquisition Fee shall be the greater of (A) Three Million Eight Hundred Fifty Thousand Dollars (\$3,850,000) or (B) the Leasehold Acquisition Fee for Phase IIC as calculated pursuant to Section 204(B)(I) and, if applicable, Section 204(C)(I) of the Original DDA.

(b) The definition of "Phase II Adjusted Leasehold Acquisition Fee Outside Date" is hereby bifurcated so as to refer to a "**Phase IIB Adjusted Leasehold Acquisition Fee Outside Date**" and a "**Phase IIC Adjusted Leasehold Acquisition Fee Outside Date**." The Phase IIB Adjusted Leasehold Acquisition Fee Outside Date and the Phase IIC Adjusted Leasehold Acquisition Fee Outside Date are set forth in Paragraph 7.3(c) below.

7.3 **Section 204(G)(I).**

(a) In consideration of Authority's agreements set forth in this Amendment, Developer hereby relinquishes and shall no longer have the right to the 6-month extension of the Phase III Adjusted Leasehold Acquisition Fee Outside Date under the last paragraph of Section 204(G)(I) of the Original DDA.

(b) The modifications set forth in this Article 7 do not extend the Phase III Adjusted Leasehold Acquisition Fee Outside Date (as such term is defined in Section 204(G)(I) of the Original DDA). Accordingly, the Phase III Adjusted Leasehold Acquisition Fee Outside Date will be March 16, 2012 (i.e., 60 months after the Effective Date of the Original DDA), subject to the following provisions of this Paragraph. Authority and Developer acknowledge and agree that the deadline for County to deliver the County Phase III Notice to Developer and Authority under Section 213 of the Original DDA has been extended until the date that Commencement of Construction of the Phase I Improvements actually occurs. Section 204(G)(I) of the Original DDA currently provides that if the County delivers the County Phase III Notice, then the Phase III Adjusted Leasehold Acquisition Fee Outside Date (currently March 16, 2012) will be extended on a day-for-day basis by each day after August 8, 2007 until the County gives such County Phase III Notice. The reference to August 8, 2007 is hereby amended to April 11, 2011.

(c) The Phase IIB Adjusted Leasehold Acquisition Fee Outside Date and the Phase IIC Adjusted Leasehold Acquisition Fee Outside Date shall each be June 16, 2011 (i.e., 45 months after the Effective Date of the Original DDA, plus an additional 6 months per Developer's previous exercise of its extension right).

7.4 **Amendment and Restatement of Section 204(G)(II).** Section 204(G)(II) of the Original DDA is hereby amended in its entirety to provide as follows:

"II. If the Leasehold Acquisition Fee for Phase IIB is not paid by June 16, 2011, then neither the Phase IIB Adjusted Leasehold Acquisition Fee nor the Phase IIC Adjusted Leasehold Acquisition Fee nor the Phase III Adjusted Leasehold Acquisition Fee, calculated based on the CPI Increase set forth above, will be applicable. If the Leasehold Acquisition Fee for Phase IIC is not paid by June 16, 2011, then neither the Phase IIC Adjusted Leasehold Acquisition Fee nor the Phase III Adjusted Leasehold Acquisition Fee, calculated based on the CPI Increase set forth above, will be applicable. If the Leasehold Acquisition Fee for the Phase III Parcel is not paid by March 16, 2012 (as such date may be extended per Paragraph 7.3(b) of the DDA Second Amendment if the County delivers the County Phase III Notice), then the Phase III Adjusted Leasehold Acquisition Fee, calculated based on the CPI Increase set forth above, will not be applicable. If the Phase IIB Adjusted Leasehold Acquisition Fee is not applicable, then as to the Phase IIB Parcel, Developer shall, no later than October 1, 2012 (herein, the "**Phase IIB FMV Outside Date**") enter into the Ground Lease for Phase IIB and prepay the full Leasehold Acquisition Fee for the Phase IIB Parcel in an amount equal to ninety percent (90%) of the full Fair Market Value of the Phase IIB Parcel, as determined hereunder (but in no event less than the amount of the Phase IIB Adjusted Leasehold Acquisition Fee) ("**Phase IIB FMV Fee**"). Developer shall give Authority written notice ("**FMV Notice**") at least 120 days prior to the date (which date must be no later than the Phase IIB FMV Outside Date) that Developer intends to enter into the Ground Lease for Phase IIB. If the Phase IIC Adjusted Leasehold Acquisition Fee is not applicable, then as to the Phase IIC Parcel, Developer shall, no later than the date (herein, the "**Phase IIC FMV Outside Date**") which is the earlier to occur of (i) eighteen (18) months after the issuance of a certificate of substantial completion for the Phase IIB Improvements or (ii) October 1, 2016, enter into the Ground Lease for Phase IIC and prepay the full Leasehold Acquisition Fee for the Phase IIC Parcel in an amount equal to ninety percent (90%) of the full Fair Market Value of the Phase IIC Parcel, as determined hereunder (but in no event less than the amount of the Phase IIC Adjusted Leasehold Acquisition Fee) ("**Phase IIC FMV Fee**"). Developer shall give Authority an FMV Notice at least 120 days prior to the date (which date must be no later than the Phase IIC FMV Outside Date) that Developer intends to enter into the Ground Lease for Phase IIC. If Developer timely enters into the Phase IIB Ground Lease and pays the Phase IIB Leasehold Acquisition Fee, but Developer fails to enter into the Phase III Ground Lease by the Phase III Adjusted Leasehold Acquisition Fee Outside Date, then as to the Phase III Parcel, Developer shall, no later than the date (herein, the "**Phase III FMV Outside Date**") which is the earlier to occur of (A) eighteen (18) months after the issuance of a certificate of substantial completion for the Phase IIB Improvements or (ii) October 1, 2016, enter into the Phase III Ground Lease and prepay the full Leasehold Acquisition Fee for the Phase III Parcel in an amount equal to ninety percent

(90%) of the full Fair Market Value of the Phase III Parcel, as determined hereunder (but in no event less than the amount of the Phase III Adjusted Leasehold Acquisition Fee) (“**Phase III FMV Fee**”). Developer shall give Authority the FMV Notice with respect to the Phase III Parcel at least 120 days prior to the date (which date must be no later than the Phase III FMV Outside Date) that Developer intends to enter into the Phase III Ground Lease for the Phase III FMV Fee. All references to “Fair Market Value” herein shall refer to the Fair Market Value as determined in accordance with the procedures set forth in Subsection XII, below.”

7.5 **Amendment and Restatement of Section 204(G)(III).** Section 204(G)(III) of the Original DDA is hereby amended in its entirety to provide as follows:

“III If Developer fails to enter into the Phase IIB Ground Lease and pay the Phase IIB Leasehold Acquisition Fee by the Phase IIB FMV Outside Date, then (i) Developer will no longer have any rights to ground lease or develop Phase IIB, Phase IIC or Phase III, (ii) Authority shall retain, as its sole and exclusive remedy for Developer’s failure to proceed with the balance of the Project, liquidated damages in the amount of the Phase II Deposit Amount, and (iii) the CRA, County, and Authority will each have the right to transfer its respective interest in the Phase IIB Parcel, the Phase IIC Parcel and/or the Phase III Parcel to any party on such terms and at such price as it may determine in its sole discretion (provided that any transfer by the Authority of its interest in the Phase IIB Parcel or the Phase IIC Parcel shall be subject to the approval of the CRA, and any transfer by the Authority of its interest in the Phase III Parcel shall be subject to the approval of the County). If Developer fails to enter into the Phase IIC Ground Lease and pay the Phase IIC Leasehold Acquisition Fee by the Phase IIC FMV Outside Date, then (X) Developer will no longer have any rights to ground lease or develop Phase IIC or Phase III, (Y) Authority shall retain, as its sole and exclusive remedy for Developer’s failure to proceed with the balance of the Project, liquidated damages equal to the Phase II Deposit Amount (less the portion, if any, of the Phase II Deposit Amount previously credited towards the Leasehold Acquisition Fee for Phase IIB), and (Z) the CRA, County, and Authority will each have the right to transfer its respective interest in the Phase IIC Parcel and/or the Phase III Parcel to any party on such terms and at such price as it may determine in its sole discretion (provided that any transfer by the Authority of its interest in the Phase IIC Parcel shall be subject to the approval of the CRA, and any transfer by the Authority of its interest in the Phase III Parcel shall be subject to the approval of the County).”

7.6 **Section 204(G)(IV).** Section 204(G)(IV) of the Original DDA is hereby amended as follows: (i) all references therein the “Deferral Payment” are hereby deleted (provided that the reference in clause (a) to the “Deferral Payment” is hereby replaced with “fifteen percent (15%) of 90% of the then Fair Market Value of the Phase III Parcel”); and (ii) all references therein to “Phase II,” the “Phase II Leasehold Acquisition Fee” and the “Phase II FMV Outside Date” shall mean Phase IIB and Phase IIC, the Phase IIB Leasehold Acquisition Fee and the Phase IIC Leasehold Acquisition Fee, and the Phase IIB FMV Outside Date and the Phase IIC FMV Outside Date, respectively.

7.7 **Amendment and Restatement of Section 204(G)(V).** Section 204(G)(V) of the Original DDA is hereby amended in its entirety to provide as follows:

“V Upon entering into the Phase IIB Ground Lease (or the Phase IIC Ground Lease or Phase III Ground Lease, as applicable) and paying the Phase IIB Leasehold Acquisition Fee (or the Phase IIC Leasehold Acquisition Fee or Phase III Leasehold Acquisition Fee, as applicable), Developer shall Commence Construction of the Phase in question by the respective Outside Construction Start Date specified in the Schedule of Performance. If Developer does not Commence Construction of Phase IIB by the Phase IIB Outside Construction Start Date, or Commence Construction of Phase IIC by the Phase IIC Outside Construction Start Date or Commence Construction of Phase III by the Phase III Outside Construction Start Date (subject to the notice and cure periods set forth in Section 1312 below), each as specified in the Schedule of Performance, then Authority shall have the right to terminate Developer’s Ground Lease for such Phase and transfer the Authority’s interest in the Parcels in question to any party on such terms and at such price as Authority may determine in its sole discretion (provided that any such transfer by Authority of its interest in the Phase IIB Parcel or the Phase IIC Parcel shall be subject to the approval of the CRA, and any such transfer by Authority of its interest in the Phase III Parcel shall be subject to the approval of the CRA and the County), and Developer will no longer have any right to develop the Phase in question or any subsequent Phase of the Project.”

7.8 **Amendment and Restatement of Section 204(G)(VI).** Section 204(G)(VI) of the Original DDA is hereby amended in its entirety to provide as follows:

“VI If Developer enters into the Phase IIB Ground Lease and pays the Phase IIB Leasehold Acquisition Fee on or prior to the Phase IIB Adjusted Leasehold Acquisition Fee Outside Date but then fails to Commence Construction of Phase IIB by the Phase IIB Outside Construction Start Date, Authority shall retain, as its sole and exclusive remedy for Developer’s failure to proceed with the balance of the Project, the Phase II Deposit Amount as liquidated damages. If Developer pays the Phase IIB FMV Fee on or prior to the Phase IIB FMV Outside Date but then fails to Commence Construction of Phase IIB by the Phase IIB Outside Construction Start Date, Authority shall retain, as its sole and exclusive remedy for Developer’s failure to proceed with the balance of the Project, liquidated damages in an amount equal to the sum total of the Phase II Deposit Amount plus \$5,000,000 (provided that such aforementioned \$5,000,000 amount may be reduced to \$2,500,000 if agreed upon by each of the County and the CRA in their discretion when reviewing this Amendment as Governing Entities). If Developer pays the Phase IIC Leasehold Acquisition Fee on or prior to the Phase IIC Adjusted Leasehold Acquisition Fee Outside Date but then fails to Commence Construction of Phase IIC by the Phase IIC Outside Construction Start Date, Authority shall retain, as its sole and exclusive remedy for Developer’s failure to proceed with the balance of the Project, the Phase II Deposit Amount (less the portion, if any, of the Phase II Deposit Amount previously credited towards the Leasehold Acquisition Fee for Phase IIB) as liquidated damages. If Developer pays the Phase IIC FMV Fee on or prior to the Phase IIC FMV Outside Date, but then fails to Commence Construction of Phase IIC by the Phase IIC Outside Construction Start Date, Authority shall retain, as its sole and

exclusive remedy for Developer's failure to proceed with the balance of the Project, liquidated damages in an amount equal to the sum total of the Phase II Deposit Amount (less the portion, if any, of the Phase II Deposit Amount previously credited towards the Leasehold Acquisition Fee for Phase IIB) plus \$2,500,000."

7.9 **Amendment and Restatement of Section 204(G)(VII).** Section 204(G)(VII) of the Original DDA is hereby amended in its entirety to provide as follows:

"VII If Developer enters into the Phase III Ground Lease and pays the Phase III Leasehold Acquisition Fee by the Phase III Adjusted Leasehold Acquisition Fee Outside Date but then fails to Commence Construction of Phase III by the Phase III Outside Construction Start Date, Authority shall retain, as its sole and exclusive remedy for Developer's failure to proceed with the balance of the Project, liquidated damages in an amount equal to the greater of (i) fifteen percent (15%) of 90% of the then Fair Market Value of the Phase III Parcel, or (ii) Five Million Dollars (\$5,000,000). If Developer pays the Phase III FMV Fee by the Phase III FMV Outside Date but then fails to Commence Construction of Phase III by the Phase III Outside Construction Start Date, Authority shall retain, as its sole and exclusive remedy for Developer's failure to proceed with the balance of the Project, liquidated damages in an amount equal to the sum of the amounts set forth in clauses (i) and (ii) in the preceding sentence (i.e., the sum total of fifteen percent (15%) of 90% of the then Fair Market Value of the Phase III Parcel and \$5,000,000)"

7.10 **Amendment of Section 204(G)(XII).** The first sentence of Section 204(G)(XII) of the Original DDA is hereby amended in its entirety to provide as follows:

"Fair Market Value shall be determined in the following manner: within twenty (20) days after Authority receives a FMV Notice (but in no event earlier than six (6) months prior to the date that the parties will enter into the Phase IIB Ground Lease (or the Phase IIC Ground Lease or the Phase III Ground Lease, as applicable)), Authority and Developer will each select an MAI certified appraiser with at least ten (10) years of experience appraising first-class, mixed-use, urban infill office, retail, hospitality and residential property in the City of Los Angeles (the "Qualified Appraiser") to perform an MAI appraisal of the Fair Market Value of the applicable Parcels."

8. **Phase III Schedule of Performance.** The Schedule of Performance for Phase III attached to the Original DDA as Exhibit "C" is hereby deleted and replaced with the Schedule of Performance for Phase III attached hereto as Schedule 4.3.

9. **Alternate Phase III Option.** If Authority, the County, the State or other governmental entity or public agency ("**Alternative Phase III Developer**") desires to develop Phase III of the Project for a public use (such as, for example, a courthouse or hall of administration), Authority shall give written notice to Developer identifying the Alternative Phase III Developer and describing the proposed public use of Phase III. Such notice shall specify a deadline, which shall be at least six (6) months after the date of the notice, for Developer to execute the Phase III Ground Lease and pay Authority the Leasehold Acquisition Fee for the Phase III Parcel (which shall be the Phase III FMV Fee, unless the Phase III Adjusted Leasehold Acquisition Fee is paid



prior to the Phase III Adjusted Leasehold Acquisition Fee Outside Date). If Developer fails to execute the Phase III Ground Lease and pay the proper Leasehold Acquisition Fee for the Phase III Parcel by the deadline set forth in the notice from Authority, then (i) Developer will no longer have any right whatsoever to ground lease or develop Phase III, and the County and Authority shall each have the right to transfer its interest in the Phase III Parcel to any party on such terms and at such price as it may determine in its sole discretion (provided that any transfer by Authority of its interest in the Phase III Parcel shall be subject to the approval of the County), (ii) Authority shall have the right set forth in Section 204(G)(IX) of the Original DDA to cause Developer to convey the Developer Parcel (Parcel W-1) to Authority or a third party designated by Authority, pursuant to the terms of said Section 204(G)(IX), and (iii) Developer shall not be obligated to pay liquidated damages to Authority for Developer's failure to develop Phase III. County may be the Alternative Phase III Developer hereunder in connection with construction of a County Office Building or other use, and nothing in Section 213 of the Original DDA shall be construed to limit, restrict or prohibit same.

10. **Authority Review and Approval of Plans, Drawings and Related Documents.**

Section 405 of the Original DDA contemplates that the review and approval of Project Documents by the Authority may be by either the Authority Board or by Authority's Real Property Negotiator, the Grand Avenue Committee, acting through its Managing Director. Authority hereby confirms that it is delegating to the Real Property Negotiator, the Grand Avenue Committee, acting through its Managing Director, the obligation and authority to review and approve all Project Documents relating to each Phase of the Grand Avenue Project, and if such Managing Director is no longer able or available to perform such duties on behalf of the Authority, then such obligations and authority for review and approval of the Project Documents shall be delegated to the staff member or members designated as the replacement for such Managing Director of the Grand Avenue Committee.

11. **General Provisions.**

11.1 **Binding Agreement; Future Amendments.** This Amendment shall be binding upon and inure to the benefit of the parties hereto, their legal representatives, successors and permitted assigns.

11.2 **Ratification; Conflicts.** Except as specifically amended or modified herein, each and every term, covenant, and condition of the Original DDA, as amended by the DDA First Amendment, is hereby ratified and shall remain in full force and effect. In the event of a conflict between the Original DDA as amended by the DDA First Amendment and this Amendment, this Amendment shall prevail.

11.3 **Counterparts.** This Amendment may be executed in one or more counterparts, and each set of duly delivered identical counterparts which includes all signatories shall be deemed to be one original document.

[Remainder of Page intentionally left blank; signatures on following pages]

IN WITNESS WHEREOF, Authority, Developer and Phase IIA Developer have caused this Amendment to be executed as of the day and year first above written.

**“AUTHORITY”**

THE LOS ANGELES GRAND AVENUE  
AUTHORITY,  
a California joint powers authority

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

APPROVED AS TO FORM:

Carmen A. Trutanich  
City Attorney

By: \_\_\_\_\_  
Timothy J. Chung  
Deputy City Attorney

APPROVED AS TO FORM:

Andrea Sheridan Ordin  
County Counsel

By: \_\_\_\_\_  
Helen S. Parker  
Principal Deputy County Counsel

**“DEVELOPER”**

GRAND AVENUE L.A., LLC,  
a Delaware limited liability company

By: RELATED GRAND AVENUE, LLC,  
a Delaware limited liability company,  
its Manager

By: THE RELATED COMPANIES, L.P.,  
a New York limited partnership,  
its Managing Member

By: The Related Realty Group, Inc.,  
a Delaware corporation,  
its sole General Partner

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[signatures continued on following page]

[signatures continued from preceding page]

**“PHASE IIA DEVELOPER”**

THE BROAD COLLECTION,  
a California nonprofit public benefit corporation

By: \_\_\_\_\_

Name: Eli Broad

Title: President

The undersigned hereby consents to and approves of the foregoing Amendment to Disposition and Development Agreement.

Dated: April \_\_, 2011

CRA:

THE COMMUNITY REDEVELOPMENT  
AGENCY OF THE CITY OF LOS ANGELES,  
a public body, corporate and politic

By: \_\_\_\_\_

Christine Essel

Its: Chief Executive Officer

APPROVED AS TO FORM:

Carmen Trutanich, City Attorney

By: \_\_\_\_\_

CRA/LA General Counsel

[signatures continued on following page]

[signatures continued from preceding page]

The undersigned hereby consents to and approves of the foregoing Amendment to Disposition and Development Agreement.

Dated: April \_\_, 2011

COUNTY:

[add County signature blocks]

**SCHEDULE 1**  
**GARAGE AIRSPACE PARCEL**

**LEGAL DESCRIPTION**

**EXPANDED GARAGE PARCEL**

Master Parcel B and a portion of Airspace Parcel C of Parcel Map L.A. No. 2006-4125, in the City of Los Angeles, County of Los Angeles, State of California, as per map filed in Book 357, Pages 71 through 76, inclusive of Parcel Maps, Records of said County, having an upper elevation of 385.50 feet.

Excepting therefrom that portion of said Airspace Parcel C lying southwesterly of the southwesterly line of said Master Parcel B.

Said elevations are based upon National Geodetic Survey Benchmark C 1296 (PID EW6906), having an elevation of 295.40 feet (June 1995 adjustment, North American Vertical Datum 1988), described as follows: an NGS brass disk stamped "C 1296 1977", encased in 4 inch PVC pipe with cap in lawn lying 214 feet northeast from centerline intersection of Spring Street and First Street and 54 feet southeast of centerline of Spring Street.

This Legal Description is shown on the accompanying "Exhibit "A-1" – Legal Description Map", is made a part hereof for reference purposes and was prepared as a convenience and is not intended for the use in the division and/or conveyance of land in violation of the Subdivision Map Act of the State of California.



A handwritten signature in black ink, appearing to read "John Chiappe Jr.", written over a horizontal line.

John Chiappe Jr., PLS 7230

PSOMAS

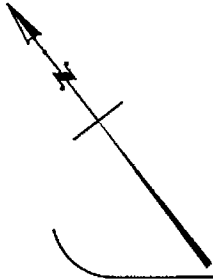
Date: 2/10/2011

SCALE: 1" = 50'

SHEET 2 OF 2 SHEETS

# EXHIBIT 'A-1' LEGAL DESCRIPTION MAP

IN THE CITY OF LOS ANGELES  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA



BENCHMARK: NATIONAL GEODETIC SURVEY BENCHMARK C 1296 (PID EW6906),  
ELEVATION = 295.40 FEET (JUNE 1995 ADJUSTMENT, NORTH AMERICAN VERTICAL  
DATUM 1988), DESCRIBED AS FOLLOWS: AN NGS BRASS DISK STAMPED "C 1296  
1977", ENCASED IN 4 INCH PVC PIPE WITH CAP IN LAWN LYING 214 FEET  
NORTHEAST FROM CENTERLINE INTERSECTION OF SPRING STREET AND FIRST  
STREET AND 54 FEET SOUTHEAST OF CENTERLINE OF SPRING STREET.

SECOND STREET

HOPE STREET

PARCEL MAP L.A.

POR

(C)

No. 2008-4125

POR

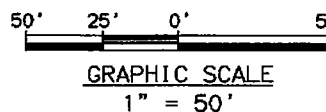
(B)

PMB 357-71176

GRAND AVENUE

ELEV =  
385.50'

GENERAL THADDEUS KOSCIUSZKO WAY



DATE: 02/18/11 REVISED ON:  
JOB No: 1ELI020100 TASK 103

The Broad Collection

PL-1LGL03

**PSOMAS**

555 South Flower Street, Suite 4400  
Los Angeles, CA 90071  
(213)223-1400 (213)223-1444 (FAX)

Plotted: 02/18/11 13:43:53 W:\ELI020100\SURVEY\LEGALS\PL\PL-1LGL03.DWG jchlappe

**SCHEDULE 2**  
**PLAZA PARCEL**

**LEGAL DESCRIPTION**

**PLAZA PARCEL**

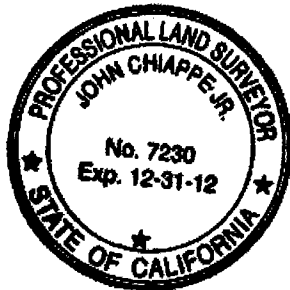
A portion of Airspace Parcel C and a portion of General Thaddeus Kosciuszko Way of Parcel Map L.A. No. 2006-4125, in the City of Los Angeles, County of Los Angeles, State of California, as per map filed in Book 357, Pages 71 through 76, inclusive of Parcel Maps, Records of said County, having a lower elevation of 377.00 feet.

Excepting therefrom that portion of said Airspace Parcel C lying northeasterly of the southwesterly line of Master Parcel B of said Parcel Map L.A. No. 2006-4125.

Also excepting therefrom that portion of said Airspace Parcel C lying southwesterly of the northeasterly line of Master Parcel A of said Parcel Map L.A. No. 2006-4125.

Said elevations are based upon National Geodetic Survey Benchmark C 1296 (PID EW6906), having an elevation of 295.40 feet (June 1995 adjustment, North American Vertical Datum 1988), described as follows: an NGS brass disk stamped "C 1296 1977", encased in 4 inch PVC pipe with cap in lawn lying 214 feet northeast from centerline intersection of Spring Street and First Street and 54 feet southeast of centerline of Spring Street.

This Legal Description is shown on the accompanying "Exhibit "B-1" – Legal Description Map", is made a part hereof for reference purposes and was prepared as a convenience and is not intended for the use in the division and/or conveyance of land in violation of the Subdivision Map Act of the State of California.



A large, stylized handwritten signature of John Chiappe, Jr. in black ink.

John Chiappe, Jr., PLS 7230

PSOMAS

Date: 2/18/2011

SCALE: 1" = 50'

SHEET 2 OF 2 SHEETS

# EXHIBIT "B-1" LEGAL DESCRIPTION MAP

IN THE CITY OF LOS ANGELES  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

BENCHMARK: NATIONAL GEODETIC SURVEY BENCHMARK C 1296 (PID EW6906),  
ELEVATION = 295.40 FEET (JUNE 1995 ADJUSTMENT, NORTH AMERICAN VERTICAL  
DATUM 1988), DESCRIBED AS FOLLOWS: AN NGS BRASS DISK STAMPED "C 1296  
1977", ENCASED IN 4 INCH PVC PIPE WITH CAP IN LAWN LYING 214 FEET  
NORTHEAST FROM CENTERLINE INTERSECTION OF SPRING STREET AND FIRST  
STREET AND 54 FEET SOUTHEAST OF CENTERLINE OF SPRING STREET.

SECOND STREET

HOPE STREET

GRAND AVENUE

PARCEL MAP L.A.

POR

(C)

No. 2006-4125

POR

(B)

PMB 357-7176

ELEV =  
362.8'

ELEV =  
377.00'

GENERAL THADDEUS KOSCIUSZKO WAY

ELEV =  
354.9'

PARCEL

POR

(C)

MAP L.A.

No. 2006-4125

POR

(A)

PMB 357-7176

DATE: 02/18/11 REVISED ON:  
JOB No: 1EL1020100 TASK 103

50' 25' 0' 50'

GRAPHIC SCALE  
1" = 50'

The Broad Collection

PL-1LGL04

**PSOMAS**

555 South Flower Street, Suite 4400  
Los Angeles, CA 90071  
(213)223-1400 (213)223-1444 (FAX)

Plotted: 02/18/11 15:06:47 W:\EL1020100\SURVEY\LEGALS\PL\PL-1LGL04.DWG jchlappe



### **SCHEDULE 4.3**

#### **REVISED PHASE IIB, PHASE IIC AND PHASE III SCHEDULE OF PERFORMANCE**

<b><u>PHASE IIB IMPROVEMENTS</u></b>	
<u>Submission – Schematic Design Drawings.</u> Developer shall prepare and submit to Authority its Schematic Design Drawings for the Phase IIB Improvements.	August 1, 2011.
<u>Review and Approval – Schematic Design Drawings.</u> Authority, CRA and the County shall review and approve the Schematic Design Drawings as provided in Section 405 of the DDA.	Within forty-five (45) days after receipt of the Schematic Design Drawings by Authority.
<u>Submission – Design Development Drawings and Preliminary Landscape Plans.</u> Developer shall prepare and submit to Authority Design Development Drawings and Preliminary Landscape Plans for the Phase IIB Improvements.	Within one hundred twenty (120) days after receipt of Authority approval of the Schematic Design Drawings.
<u>Review and Approval- Design Development Drawings.</u> Authority shall review and approve the Design Development Drawings and Preliminary Landscape Plans as provided in Section 405 of the DDA.	Within fifteen (15) days after receipt of the submission by Authority.
<u>Submission – 80% Construction Documents and Final Landscape Plans.</u> Developer shall submit 80% Construction Documents (80% complete set of plans and specifications sufficient for issuance of building permits) and Final Landscape Plans for the Phase IIB Improvements.	Within one hundred twenty (120) days after Developer's submittal of Design Development Drawings for the relevant improvements.
<u>Review and Approval – 80% Construction Documents and Landscape Plans.</u>  Authority shall review and approve the 80% Construction Documents and Landscape Plans as provided in Section 405 of the DDA.  The parties acknowledge that Developer may	Within fifteen (15) days after receipt by Authority.

proceed with demolition, foundation and grading activities in accordance with City-issued permits, prior to the approval by Authority of 80% Construction Documents for the Phase IIB Improvements.	
<u>Orientation.</u> Developer shall coordinate a preconstruction orientation meeting with Developer's general contractors and Authority.	Prior to commencement of grading activities in connection with the Phase IIB Improvements.
<u>Submission – Final Construction Documents.</u> Developer shall submit Final Construction Documents for the Phase IIB Improvements.	Within one hundred (100) days after Developer's submittal of the 80% Construction Documents for the Phase IIB Improvements.
<u>Review and Approval – Final Construction Documents.</u> Authority shall review and approve the Final Construction Documents.	Within fifteen (15) days after receipt by Authority.
<u>Submission - Proposed Construction Budget.</u> Developer shall provide Authority with a proposed construction budget pursuant to Section 408(2) with respect to the Phase IIB Improvements.	Within ten (10) days after Authority approval of Final Construction Documents for the Phase IIB Improvements.
<u>Review and Approval - Final Construction Budget.</u> Authority shall approve or disapprove, as set forth in Section 408(2), the proposed construction budget for the Phase IIB Improvements, which shall then become the Final Construction Budget for such Improvements.	Within fifteen (15) days after receipt by Authority.
<u>Commencement of Construction.</u> The Commencement of Construction of the Phase IIB Improvements shall have occurred.	October 1, 2012 (“ <b>Phase IIB Outside Construction Start Date</b> ”).
<u>Completion of Construction.</u> Developer shall submit a certificate of substantial completion from Developer's architect with respect to the Phase IIB Improvements.	Within thirty (30) months of Commencement of Construction of the Phase IIB Improvements; but in no event later than March 31, 2015.

<u>Final Inspection.</u> Authority shall conduct a final inspection of all Phase IIB Improvements.	Within thirty (30) days after request by Developer, as applicable.
<u>Issuance of Authority Certificate of Completion.</u> Authority shall issue in recordable form the Certificate of Completion for the Phase IIB Improvements.	Within thirty (30) days after receipt by Authority of Developer's written request, provided all requirements for issuance have been satisfied.
<u>Architect's Assignment.</u> Developer shall execute and deliver the Architect's Assignment with respect to the Phase IIB Improvements to the Authority and the CRA.  Notwithstanding the foregoing, Developer shall not be in breach of its obligations hereunder if Developer is unable to comply with the provisions of this Paragraph due to Developer's contractual obligations with Developer's architect for Phase IIB.	Within thirty (30) days after the issuance of the final Certificate of Occupancy by the City of Los Angeles.
<b><u>PHASE IIC IMPROVEMENTS</u></b>	
<u>Submission – Schematic Design Drawings.</u> Developer shall prepare and submit to Authority its Schematic Design Drawings for the Phase IIC Improvements.	At least fifteen (15) months prior to the Phase IIC Outside Construction Start Date.
<u>Review and Approval – Schematic Design Drawings.</u> Authority, CRA and the County shall review and approve the Schematic Design Drawings as provided in Section 405 of the DDA.	Within forty-five (45) days after receipt of the Schematic Design Drawings by Authority.
<u>Submission – Design Development Drawings and Preliminary Landscape Plans.</u> Developer shall prepare and submit to Authority Design Development Drawings and Preliminary Landscape Plans for the Phase IIC Improvements.	Within one hundred twenty (120) days after receipt of Authority approval of the Schematic Design Drawings.
<u>Review and Approval- Design Development Drawings.</u> Authority shall review and approve the Design Development Drawings and Preliminary Landscape Plans as provided	Within fifteen (15) days after receipt of the submission by Authority.

in Section 405 of the DDA.	
<u>Submission – 80% Construction Documents and Final Landscape Plans.</u> Developer shall submit 80% Construction Documents (80% complete set of plans and specifications sufficient for issuance of building permits) and Final Landscape Plans for the Phase IIC Improvements.	Within one hundred fifteen (115) days after Developer's submittal of Design Development Drawings for the relevant improvements.
<u>Review and Approval – 80% Construction Documents and Landscape Plans.</u>  Authority shall review and approve the 80% Construction Documents and Landscape Plans as provided in Section 405 of the DDA.  The parties acknowledge that Developer may proceed with demolition, foundation and grading activities in accordance with City-issued permits, prior to the approval by Authority of 80% Construction Documents for the Phase IIC Improvements.	Within fifteen (15) days after receipt by Authority.
<u>Orientation.</u> Developer shall coordinate a preconstruction orientation meeting with Developer's general contractors and Authority.	Prior to commencement of grading activities in connection with the Phase IIC Improvements.
<u>Submission – Final Construction Documents.</u> Developer shall submit Final Construction Documents for the Phase IIC Improvements.	Within one hundred fifteen (115) days after Developer's submittal of the 80% Construction Documents for the Phase IIC Improvements.
<u>Review and Approval – Final Construction Documents.</u> Authority shall review and approve the Final Construction Documents.	Within fifteen (15) days after receipt by Authority.
<u>Submission - Proposed Construction Budget.</u> Developer shall provide Authority with a proposed construction budget pursuant to Section 408(2) with respect to the Phase IIC Improvements.	Within fifteen (15) days after Authority approval of Final Construction Documents for the Phase IIC Improvements.
<u>Review and Approval - Final Construction Budget.</u> Authority shall approve or	Within fifteen (15) days after receipt by Authority.